

# What's Up Your Tailpipe?



**An Overview of Minnesota E85 Pilot Market**

**On behalf of the National Ethanol Vehicle Coalition**

**Ethanol Producers and Consumers (EPAC)**

**June 2004**

# Minnesota E85 Team

MN Corn Growers Association

MN Coalition for Ethanol

MN Dept of Commerce

MN Office of Environmental Assistance

MN Dept of Agriculture

National Ethanol Vehicle Coalition

Ford Motor Company

US Dept of Energy Clean Cities

American Lung Association of MN



## Goals for Summer 2004:

- Reach 90 E85 outlets
- 3.2 million gal/yr sales rate

## By June 2004:

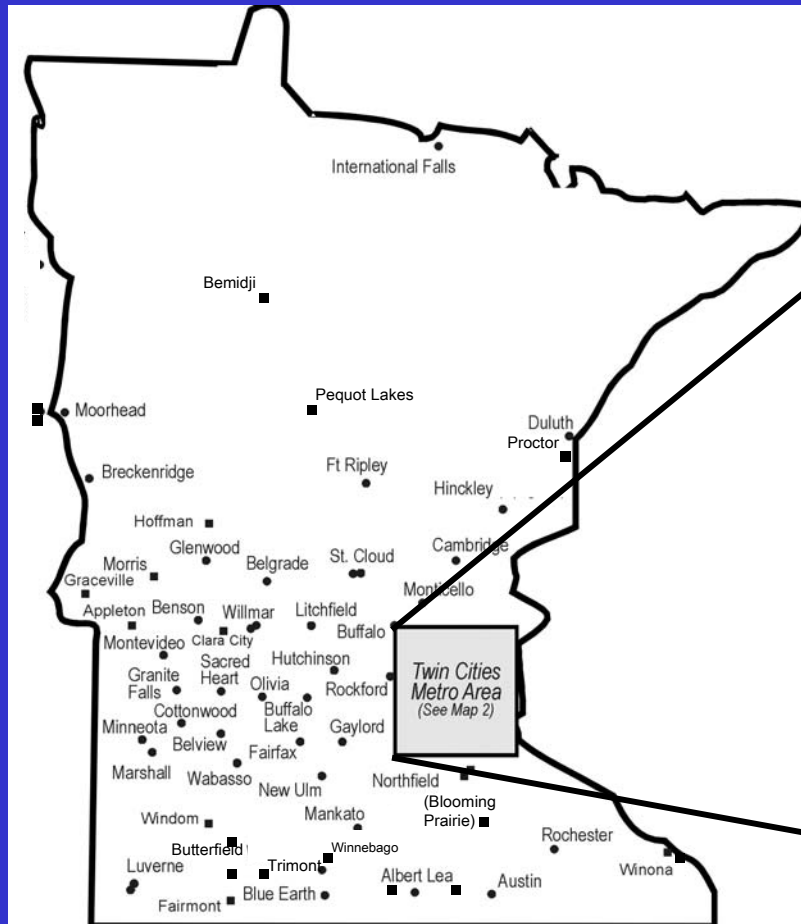
- #100 is on the way!
- ~2.5 million gal/yr rate

### Ethanol price volatility:

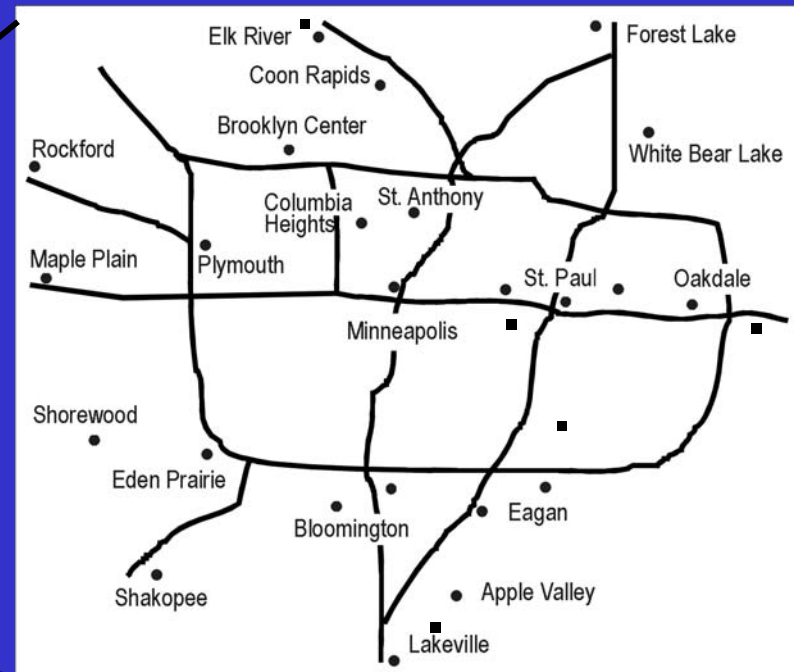
Many outlets unable to keep usual E85 price advantage



# Minnesota



# Twin Cities



MN Pilot Market



# CONSIDERATIONS

Why E85?

- Image of Ethanol: If we use 85%, how can anything be wrong with 5% or 10%?
- Shipping ethanol to the coasts vs. using more in the Midwest? (Shipping = ~\$0.15?)
- Dialogue with Detroit: More FFVs? Fuel cells?

### Concern?

*Higher prices are good, but . . .*

- Higher metro prices = sales drop off
- Marketing strategies delayed  
(pricing; VEETC)



## Trends?

- Premium sales dropping; more retailers considering conversion to E85.
- Outside US, automakers look to produce hybrid-electric FFVs and more FFVs.
- More US FFVs in 2005!
- FFV system becoming less expensive could make more FFVs possible.



# Consumer Education (Marketing)



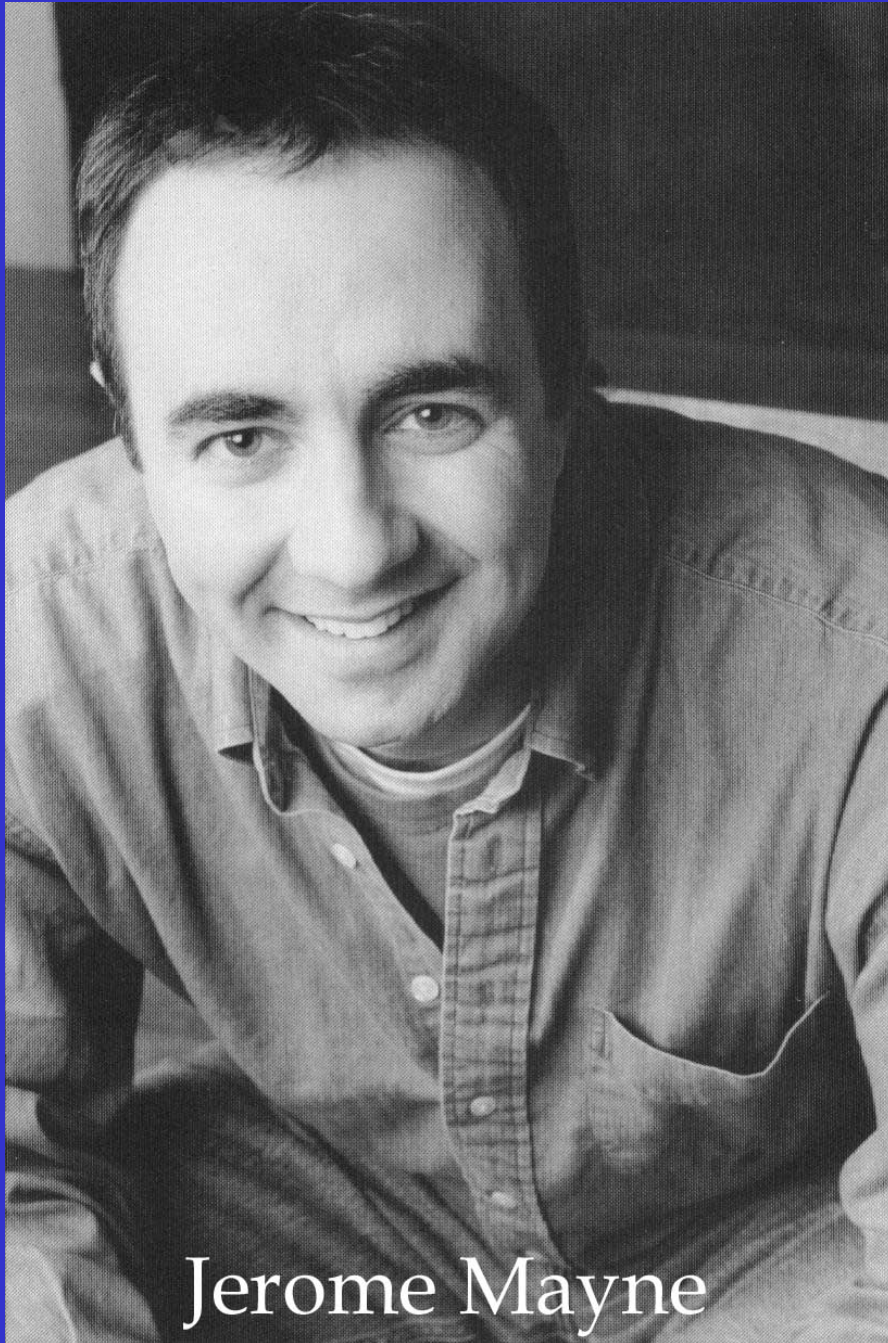
# Ahead in 2004

*(Marketing strategies set to begin)*

## Marketing/Consumer Education



- Radio & TV
- Print & point-of-sale materials
- Events
- MSP airport kiosk
- 100,000 state road maps!
- Joint station marketing



Jerome Mayne

## Spring-Summer TV Statewide Radio

**“Think About It”**

- **Real cost of oil**
- **Renewable**
- **‘Grown’ in USA**

# Print Ads & Coupons

**You Can Drive E85**  
Clean - Renewable - Made in USA - 100+ Octane



You may be one of millions driving a flexible fuel vehicle capable of fueling on E85, the exciting new alternative to gasoline. E85 is just 15% petroleum and the rest is high performing, cleaner-burning ethanol made right here at home from Minnesota corn.

Jerry's U-Save Conoco, the DENCO ethanol plant, Minnesota Corn Growers and Minnesota E85 Team invite you to partner with us by filling up with E85. Let's reduce harmful tailpipe pollution and global warming while supporting Minnesota's economy and reducing our costly dependence on overseas oil imports. And, E85 is typically less expensive than gasoline!

E85. It's easy. See the special E85 offer below, and look under your vehicle's fuel door for a decal indicating E85 use. Visit [E85Fuel.com](http://E85Fuel.com), [CleanAirChoice.org](http://CleanAirChoice.org) or call 1(800)LUNG-USA to see if you can drive E85.



**\$2.00 FREE**



**On your next 10-gallon or larger fill of E85**

Check the inside of your car's fuel door for decal that indicates E85 use or  
Visit [CleanAirChoice.org](http://CleanAirChoice.org) or call 1(800) LUNG-USA for more details

**Jerry's U-Save Conoco**  
**211 South Hwy 9 – Morris, MN – (320) 589-4333**

One coupon per vehicle per visit. Offer expires April 15, 2004

*E85. Better for your car. Better for the environment. Better for America.*

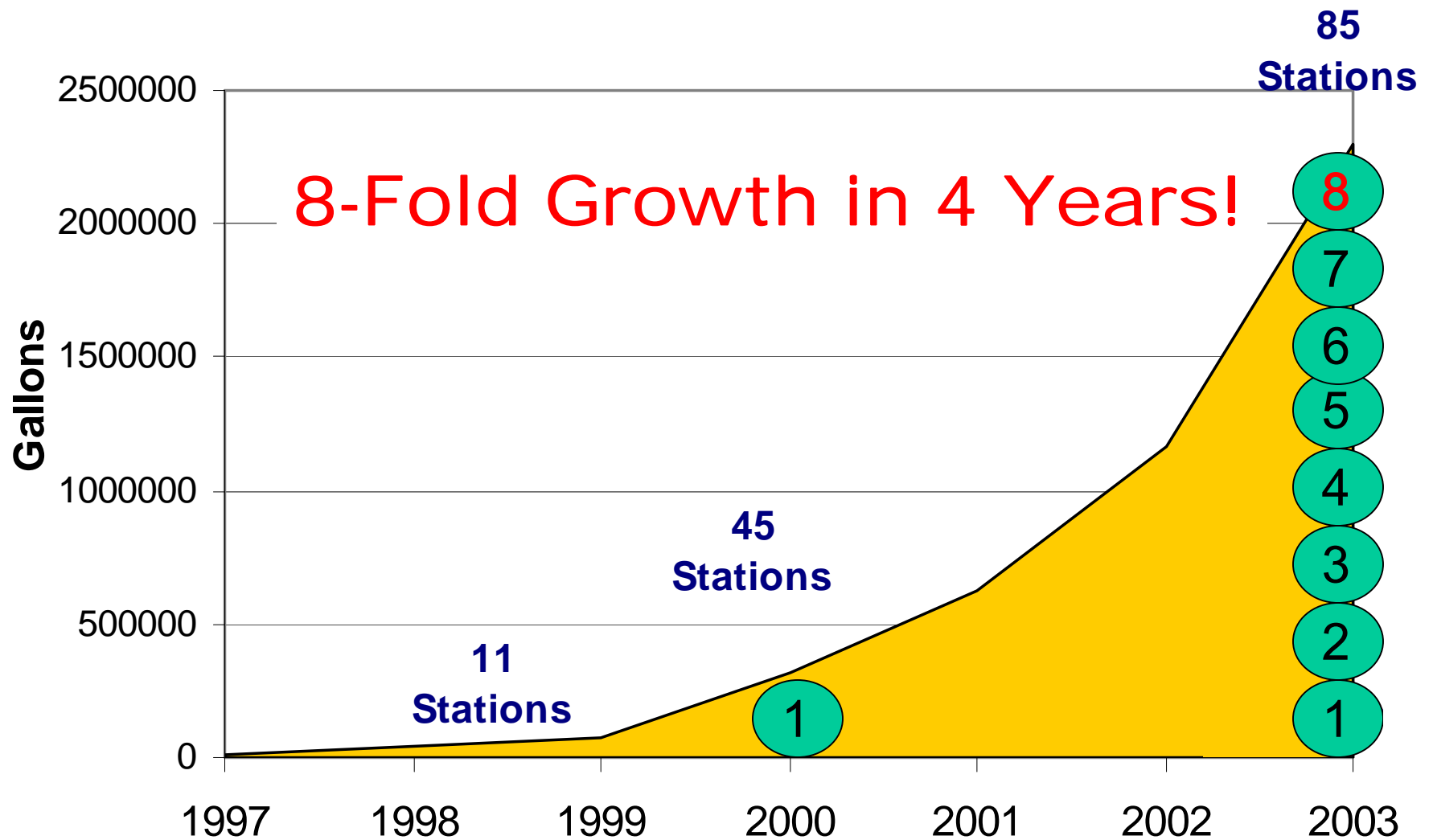


# Partnering on trial billboards in two markets

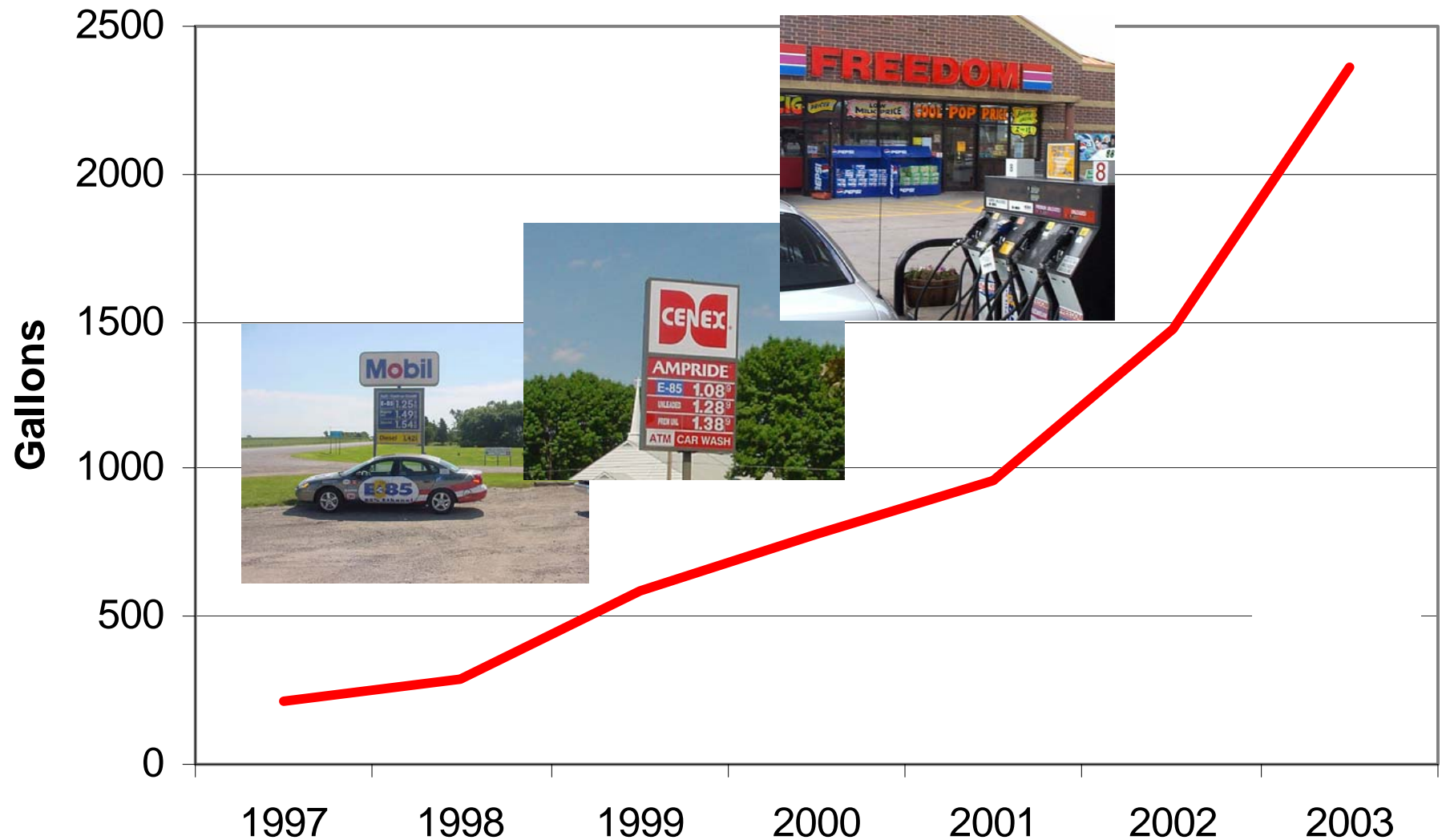


Sales

## Annual Minnesota E85 Sales



## Average Monthly Sales at MN E85 Stations



WHERE ARE WE HEADING?

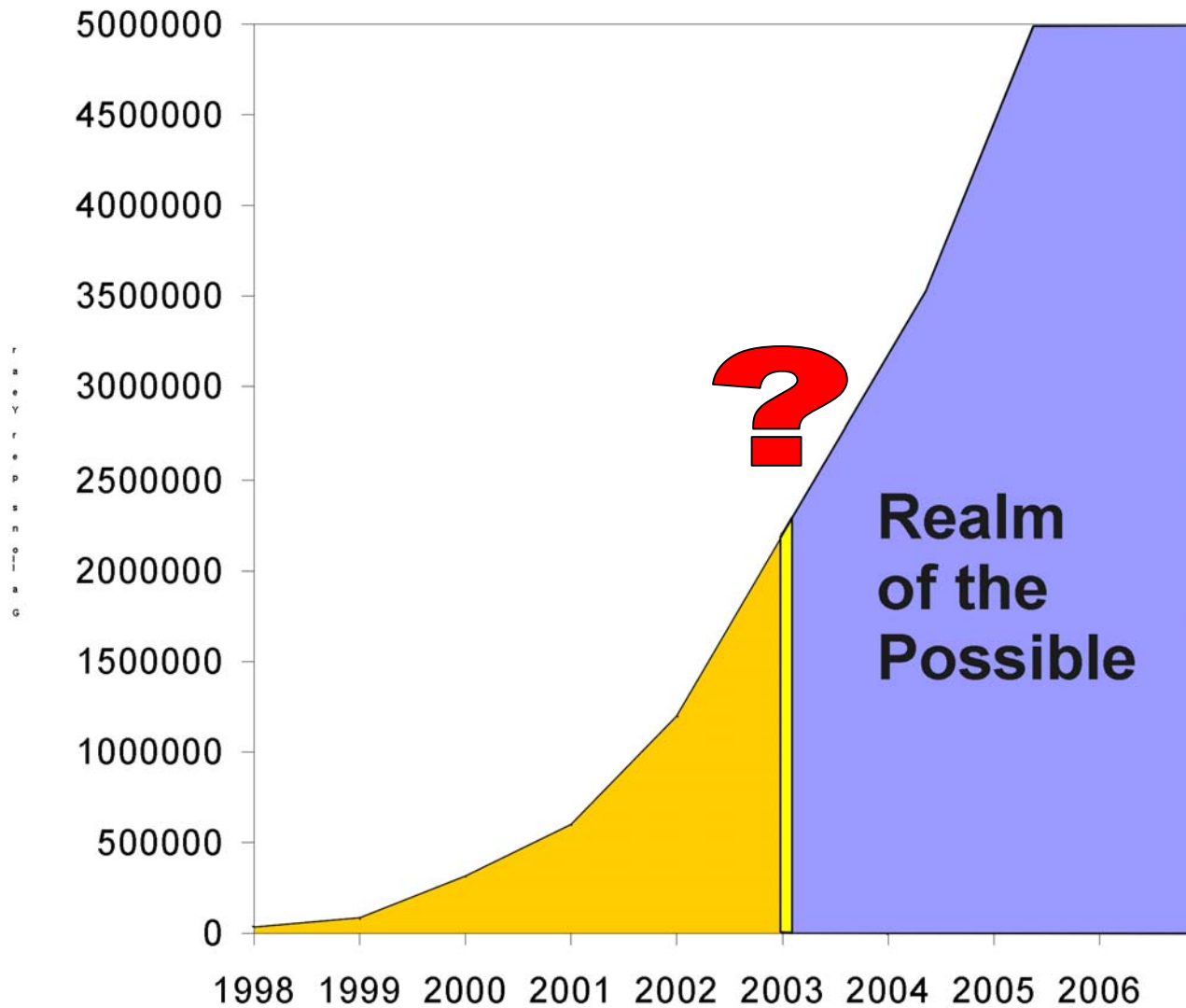




# The Crossroads

## Annual MN E85 Sales

# Where Are We Heading?





**KEEP  
FIGHTING!**

**READY FOR  
SUCCESS!**

- MN pilot market has proven initial potential
- Looking for that next 'Big Thing'
- VEETC or expanded FFV production or?

# VEETC

Volumetric Ethanol Excise Tax Credit

***#1 hurdle in supplying E85  
would be removed!***

## VEETC & E85:

- Any terminal could blend E85.
- Credit received within 20 days  
(not carried for the year).
- Easier for many more retailers!
- Credit worth more!

[www.E85Fuel.com](http://www.E85Fuel.com)

